



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

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Fifth District

September 4, 2007

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF PUBLIC WORKS:
LAC+USC MEDICAL CENTER REPLACEMENT PROJECT
PSYCHIATRIC UNIT CONVERSION
AWARD CONTRACT
SPECS. 6847; C.P. 86905
(FIRST DISTRICT) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Director of Public Works to execute a consultant services agreement with the selected proposer to prepare a baseline schedule for a \$5,000 not-to-exceed fee, funded by the LAC+USC Medical Center Replacement Project – Psychiatric Unit Conversion Project funds.
2. Delegate to the Director of Public Works the authority to determine, in accordance with the applicable contract and bid specifications, whether the selected proposer has properly and in a timely fashion prepared a satisfactory baseline schedule satisfying all the conditions for contract award; and authorize the Director of Public Works to award and execute the contract, in the form approved by County Counsel, to the selected proposer and to establish the effective date of the contract upon receipt by the Director of Public Works of acceptable performance and payment bonds and evidence of required contractor insurance for the refurbishment work that will convert the psychiatric unit to a 24-bed acute care unit, provided that the award can be accommodated within your Board's approved project budget of \$6,150,000.

3. Delegate to the Director of Public Works the authority to enter into amendments to the contract with the selected firm within the same limits as those prescribed in Section 2.18.030 of the County Code, which would limit the maximum amount of any single change to \$150,000 and the aggregate of all such changes to 25 percent of the original contract.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Approval of the recommended actions will allow the Department of Public Works (Public Works) to award a contract for the LAC+USC Medical Center Replacement Project Psychiatric Unit Conversion provided that award can be accommodated within your Board's previously approved project budget.

BACKGROUND

The original LAC+USC Medical Center Replacement Project scope totaled 600 medical beds, of which 24 beds were designated as psychiatric beds. As part of the settlement of the Harris-Rodde litigation, the County of Los Angeles (County) agreed to provide 600 beds at the LAC+USC Medical Center Replacement Project and an additional 50 psychiatric beds off-site. On April 11, 2006, your Board approved the conversion of the 24 inpatient psychiatric beds to 24 general acute care medical/surgical beds to be implemented in three phases.

On May 15, 2007, the Board of Supervisors (Board) approved a revised total project cost of \$8,970,000 for all phases of the conversion process. Additionally, your Board was informed that the selection of a firm to complete the final phase, refurbishing and completing the conversion of the Psychiatric Unit into an acute care facility within the Inpatient Tower at the Medical Center Replacement hospital, would be through a competitive, best value selection process whereby competition among bidders is based on quality standards in addition to price.

To deliver the project within the previously specified time frame and to expedite the project implementation process where possible, Public Works issued a Request for Proposal on June 27, 2007, for the expedited conversion and refurbishment of the 21,000-square-foot, 24-bed acute care unit (originally designed to be a psychiatric unit) within the new LAC+USC Medical Center Replacement hospital. Proposals were received on August 9, 2007, and are being evaluated on the basis of cost (50 percent), thoroughness and completeness of the work plan (25 percent), project and technical experience (15 percent) and work schedule (10 percent).

A requirement of the selected proposer is to prepare a baseline schedule that conforms to the County's schedule specification, which is critical to successfully managing construction activities by both the contractor and the County. Bid documents provide that if the firm fails to complete an acceptable schedule, the Director of Public Works (Director) may return to your Board to recommend that the selected proposer be declared nonresponsive and/or nonresponsible so that the contract could be awarded to the next proposer contingent on the selected proposer completing a baseline schedule that conforms to the County's specifications.

In order to expedite construction of the tenant improvement phase of the conversion process, it is recommended that your Board delegate to the Director the authority to award the contract contingent on the County's receipt of an acceptable baseline schedule. In the event that award to the selected proposer would cause the project to exceed the total budget, we will return to your Board with further recommendations on a final project scope and funding options.

It is also requested that the Director be authorized to enter into amendments to this contract, if necessary, in order to expedite completion of the work within the same limits as those prescribed in Section 2.18.030 of the County Code, which would limit the maximum amount of any single change to \$150,000 and the aggregate of all such changes to 25 percent of the original contract.

Implementation of Strategic Plan Goals

These actions meet the Countywide Strategic Plan Goal of Service Excellence (Goal 1) by promoting best practices for patient care and the Goal of Fiscal Responsibility (Goal 4) by investing in public health infrastructure. Completion of this project will provide a much needed health facility for the residents of the County of Los Angeles.

Consistency with the Department of Health Services System Redesign

These actions meet the Department of Health Services strategic goals by improving access to health care services for residents of the County of Los Angeles.

FISCAL IMPACT/FINANCING

The total project cost estimate is \$8,970,000, including programming, design, jurisdictional reviews, tenant improvement, equipment, consultant services, miscellaneous expenditures, and County services as previously approved by your Board on May 15, 2007. The Project Schedule and Budget Summary are included in Attachment A.

The Psychiatric Unit Conversion is funded by \$6,600,000 from the Tobacco Settlement Program Budget and \$2,370,000 by the 2006-07 LAC+USC Healthcare Network Operating Budget. Sufficient appropriation is included in the Fiscal Year 2007-08 Capital Projects Budget – LAC+USC Medical Center Replacement Project Psychiatric Unit Conversion (C.P. 86905).

We have reviewed this recommendation with the Project Advisory Committee.

Operating Budget Impact

The Department of Health Services has included in their Fiscal Year 2007-08 Operating Budget start-up and operational costs for the entire LAC+USC Medical Center Replacement Project. There is no additional start-up or operating costs anticipated with this proposed 24-bed conversion.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

A standard agreement, in the form previously approved by County Counsel, will be used. The standard Board-directed clauses that provide for agreement termination, renegotiation, and hiring qualified displaced County employees will be included in the contract.

As requested by your Board on August 12, 1997, and as a threshold requirement for consideration for contract award, bidders will be required to attest to their willingness to consider Greater Avenues for Independence (GAIN) and General Relief Opportunities for Work (GROW) program participants for future employment.

Proposers will also be required to show full compliance with Los Angeles County Code Chapter 2.200 (Child Support Compliance Program) and Chapter 2.203 (Contractor Employee Jury Services Program).

The project specifications contain provisions requiring the successful proposer to report solicitations of improper consideration by County employees and allowing the County to terminate the contract if it is found that the successful proposer offered or gave improper consideration to County employees.

As required by your Board, language has been incorporated into the project specifications stating that the successful proposer shall notify its employees, and shall require each subcontractor to notify its employees, about Board Policy 5.35 (Safely Surrendered Baby Law) and that they may be eligible for the Federal Earned Income Credit under the Federal income tax laws.

ENVIRONMENTAL DOCUMENTATION

On April 11, 2006, your Board found the Psychiatric Unit Conversion Project categorically exempt under the California Environmental Quality Act.

CONTRACTING PROCESS

As requested by your Board on February 3, 1998, this contracting opportunity was listed on the Doing Business with Us website. Participation by Community Business Enterprises (CBE) in the project is encouraged through Public Works' Capital Projects' CBE Outreach Program and by monitoring the good faith effort of proposers to utilize CBE.

CONCLUSION

Upon approval of the recommendations, please forward an adopted, stamped copy to my office.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:DLW:DL
JSE:DJT:DKM:mc

Attachment

c: County Counsel
Department of Public Works
Project Advisory Committee
Department of Public Social Services (GAIN/GROW Program)

September 4, 2007

ATTACHMENT A

**DEPARTMENT OF PUBLIC WORKS:
LAC+USC MEDICAL CENTER REPLACEMENT PROJECT
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I. PROJECT SCHEDULE

Project Activity	Revised Completion Date	Actual Completion Date
Board Award Design Contract	04/06	04/06
Refurbishment Documents	12/06	12/06
Jurisdictional Approvals	05/07	08/07
Award of Refurbishment Contract *	07/07	
Refurbishment Start *	08/07	
Anticipated Completion of new Acute Care Unit *	03/08	

*Anticipated completion dates will be determined upon selection of a proposer.

II. PROJECT BUDGET SUMMARY

Budget Category	Current Board-Approved Budget
Land Acquisition	
Refurbishment **	
Refurbishment Change Orders **	
Refurbishment Total	\$6,150,000
Equipment (Medical, Telecommunications/Data, and FFE)	\$ 337,500
Architectural Services	\$1,025,000
Consultants and Vendor Services	\$1,015,000
Permits and Fees	\$ 187,500
County Services	\$ 255,000
Total	\$8,970,000

**Refurbishment and change order amounts will be determined upon selection of a proposer.